

# **Presentation of Financial Results for the Three Months Ended June 2010**

**August 11, 2010**

**The Dai-ichi Life Insurance Company, Limited**

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## Financial Results Highlights

- Sales indicators of the core business improved significantly. Dai-ichi Life's (non-consolidated) value of new business increased by 13.4% year-on-year, thanks to strong sales of the company's flagship insurance products. The Company also recorded a decrease in lapse & cancellation by 35.0% against last year.
- Despite an adverse financial environment, (non-consolidated) net investment income of General Account assets improved thanks to hedging through financial derivatives.
- Although consolidated net income for the 1st quarter was lower than a year earlier, its progress rate against the Company's 1st half forecast was high.

## Consolidated Financial Results Highlights

(billions of yen)

					<Reference>	
	Jun-09	Jun-10 (actual)	Change		Sep-10 (forecasts)	Progress (actual vs forecasts)
Ordinary revenues	1,351.4	1,183.4	(167.9)	(12%)	2,103.0	56%
Non-consolidated	1,123.0	1,079.8	(43.2)	(4%)	1,931.0	56%
Ordinary profit	71.6	50.8	(20.8)	(29%)	74.0	69%
Non-consolidated	71.6	65.5	(6.0)	(8%)	81.0	81%
Net income <sup>(1)(2)</sup>	29.6	10.3	(19.2)	(65%)	11.0	95%
Non-consolidated	29.7	23.8	(5.8)	(20%)	17.0	140%

- (1) For the purpose of making proper year-on-year comparison, a "provision for reserve for dividends to policyholders" is recorded for the quarter ended Jun-09, in the same way as for the quarter ended Jun-10. Specifically, an amount equivalent to one-fourth of the "provision for allowance for policyholder dividends" recorded for the year ended Mar-10 (i.e., 1/4 multiplied by 92.5 billion yen) is deducted from the net surplus for Jun-09.
- (2) Although the Company was a mutual company for the quarter ended Jun-09, we show "net income" rather than "net surplus", in light of our subsequent demutualization.

## Consolidated Financial Information (summarized)

### Statements of Earnings (Summarized)<sup>(1)</sup>

(billions of yen)

	Jun-09	Jun-10	Change
Ordinary revenues	1,351.4	1,183.4	(167.9)
Insurance premiums and other	908.7	865.5	(43.1)
Investment income	361.0	244.1	(116.8)
Interest, dividends and other income	170.3	164.0	(6.2)
Gain on sales of securities	46.3	49.0	+2.6
Net derivative financial instruments gain	-	19.7	+19.7
Gain on separate accounts	140.7	-	(140.7)
Other ordinary revenues	81.7	73.7	(7.9)
Ordinary expenses	1,279.8	1,132.6	(147.1)
Insurance claims and other	656.4	627.1	(29.2)
Provision for policy reserve and others	342.4	87.8	(254.5)
Investment expenses	54.3	207.0	+152.6
Loss on sales of securities	34.5	29.4	(5.0)
Loss on separate accounts	-	151.5	+151.5
Operating expenses	112.0	107.5	(4.4)
Ordinary profit	71.6	50.8	(20.8)
Extraordinary gains (losses)	(6.9)	(9.1)	(2.1)
Provision for reserve for dividends to policyholders <sup>(1)</sup>	23.1	17.8	(5.2)
Income before income taxes, etc. <sup>(2)</sup>	41.5	23.8	(17.7)
Total income taxes	11.9	14.8	+2.9
Minority interests in income (loss)	0.0	(1.4)	(1.4)
Net income <sup>(2)</sup>	29.6	10.3	(19.2)

### Balance Sheets (Summarized)

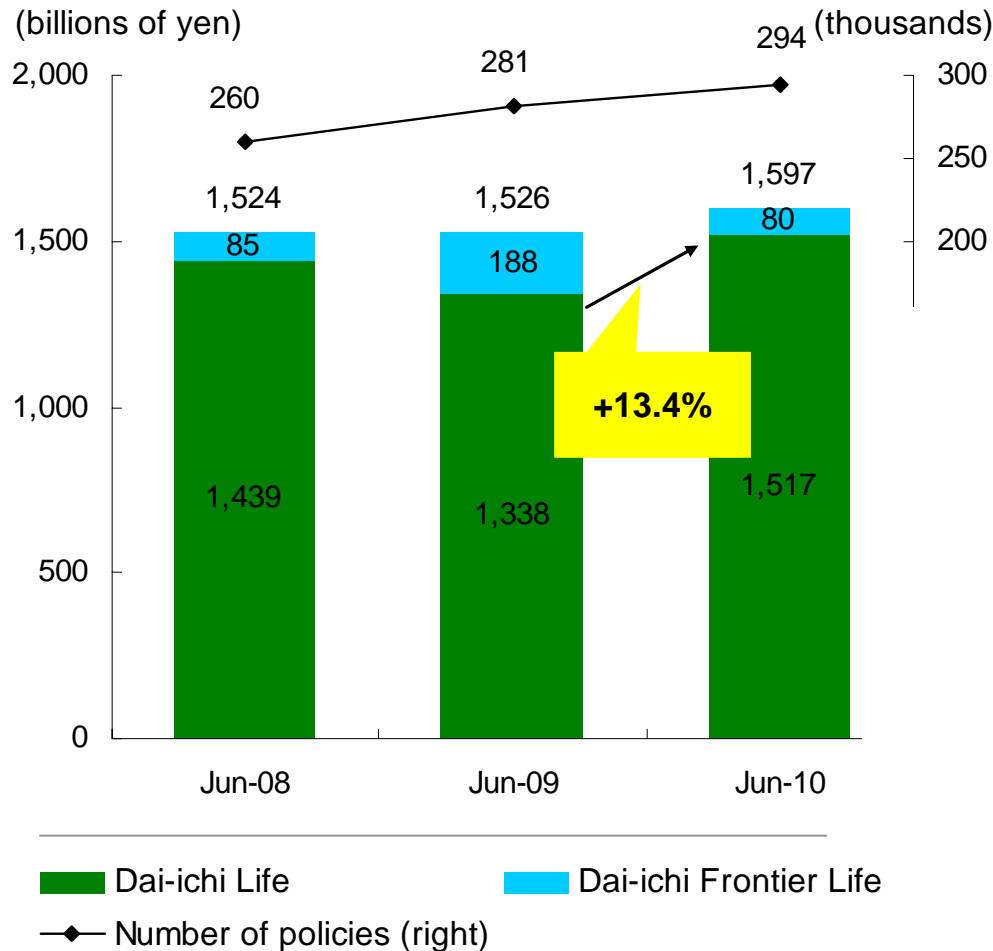
(billions of yen)

	Apr-10	Jun-10	Change
Total assets	32,104.2	31,948.1	(156.1)
Cash, deposits and call loans	437.3	358.1	(79.1)
Monetary receivables purchased	289.8	310.9	+21.0
Securities	25,147.3	25,023.0	(124.3)
Loans receivables	3,834.9	3,766.6	(68.3)
Tangible assets	1,244.0	1,249.5	+5.5
Deferred tax assets	339.5	363.5	+23.9
Total liabilities	31,140.0	31,052.2	(87.8)
Reserve for insurance policy liabilities	29,204.7	29,263.4	+58.7
Policy reserve	28,632.6	28,717.8	+85.1
Reserve for employees' retirement benefits	411.4	416.7	+5.2
Reserve for price fluctuations	115.5	119.0	+3.5
Total net assets	964.1	895.8	(68.3)
Total shareholders' equity	558.7	559.8	+1.1
Total valuation and translation adjustments	393.6	325.6	(68.0)
Valuation difference on available-for sale securities	462.2	394.8	(67.4)
Revaluation reserve for land	(63.5)	(64.2)	(0.7)

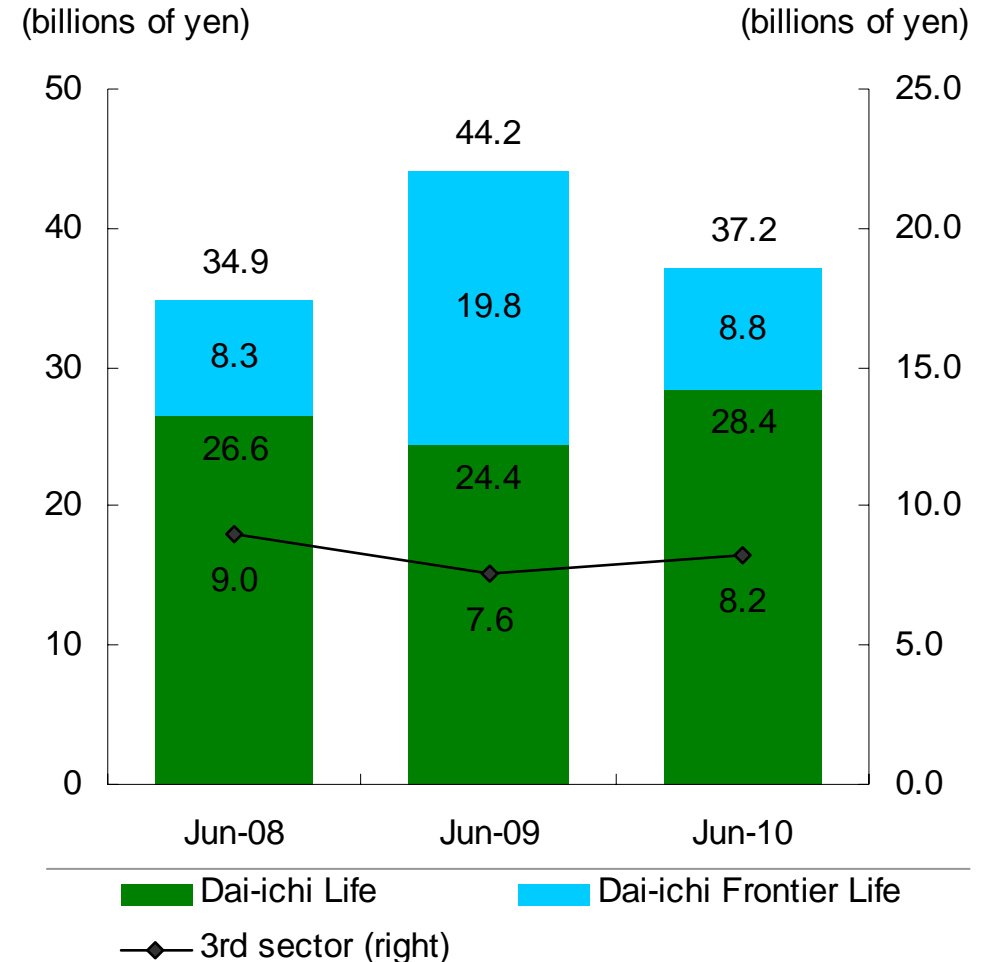
- (1) For the purpose of making proper year-on-year comparison, a "provision for reserve for dividends to policyholders" is recorded for the quarter ended Jun-09, in the same way as for the quarter ended Jun-10. Specifically, an amount equivalent to one-fourth of the "provision for allowance for policyholder dividends" recorded for the year ended Mar-10 is shown here.
- (2) Although the Company was a mutual company for the quarter ended Jun-09, we show "net income" rather than "net surplus", in light of our subsequent demutualization.

New Business (Individual Insurance, Individual Annuities)

New Business<sup>(1)</sup>



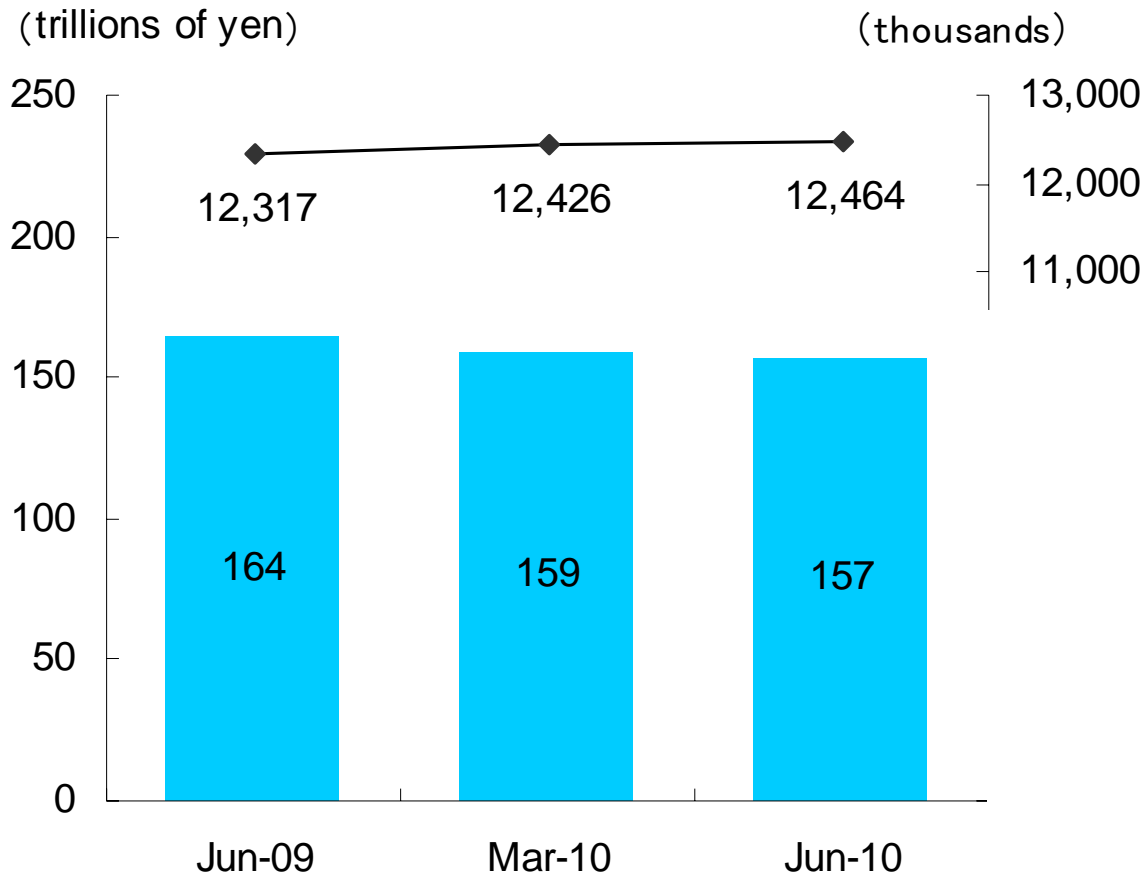
ANP from New Business<sup>(1)</sup>



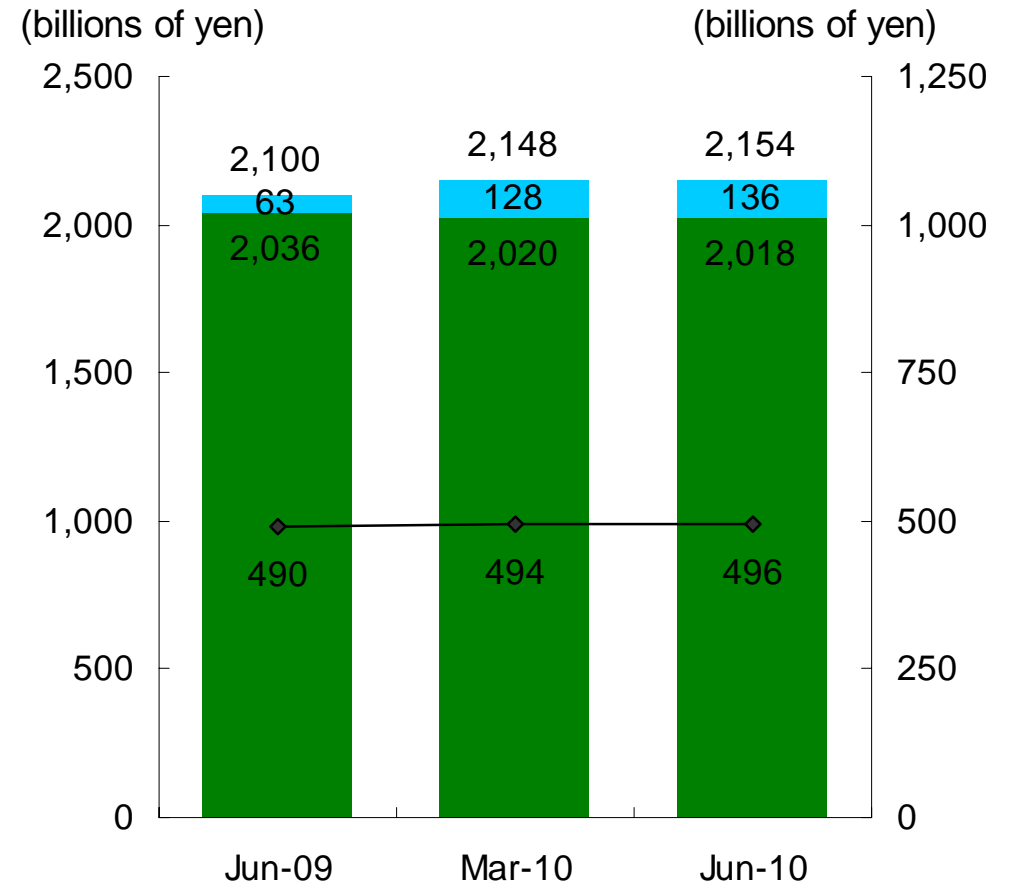
(1) Sum of Dai-ichi Life and Dai-ichi Frontier Life

Policies in Force (Individual Insurance, Individual Annuities)

Sum Insured and Policies in Force<sup>(1)</sup>



ANP from Policies in Force<sup>(1)</sup>



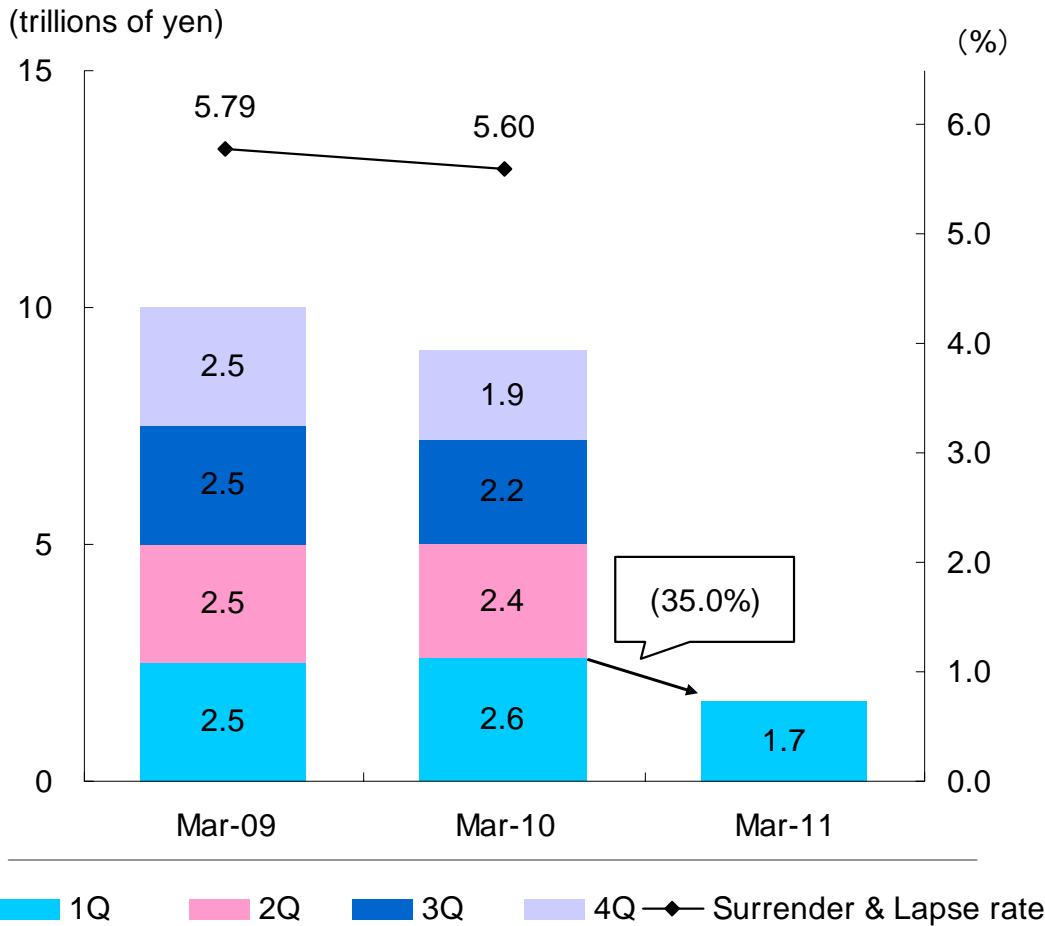
Amount (left) —◆— Number of policies (right)

Dai-ichi Life Dai-ichi Frontier Life  
◆— 3rd sector (right)

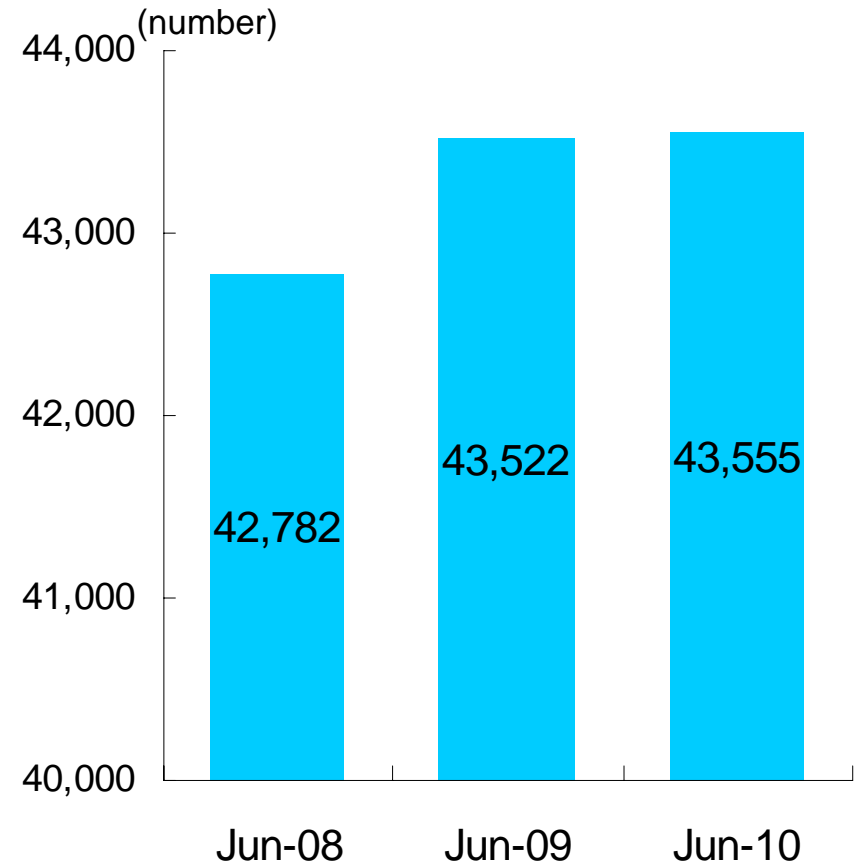
(1) Sum of Dai-ichi Life and Dai-ichi Frontier Life

Surrender and Lapse, Sales Representatives

Surrender & Lapse (Individ. Insurance & Annuities)<sup>(1)</sup>



Sales Representatives of Dai-ichi Life<sup>(1)(2)</sup>



(1) Non-consolidated basis

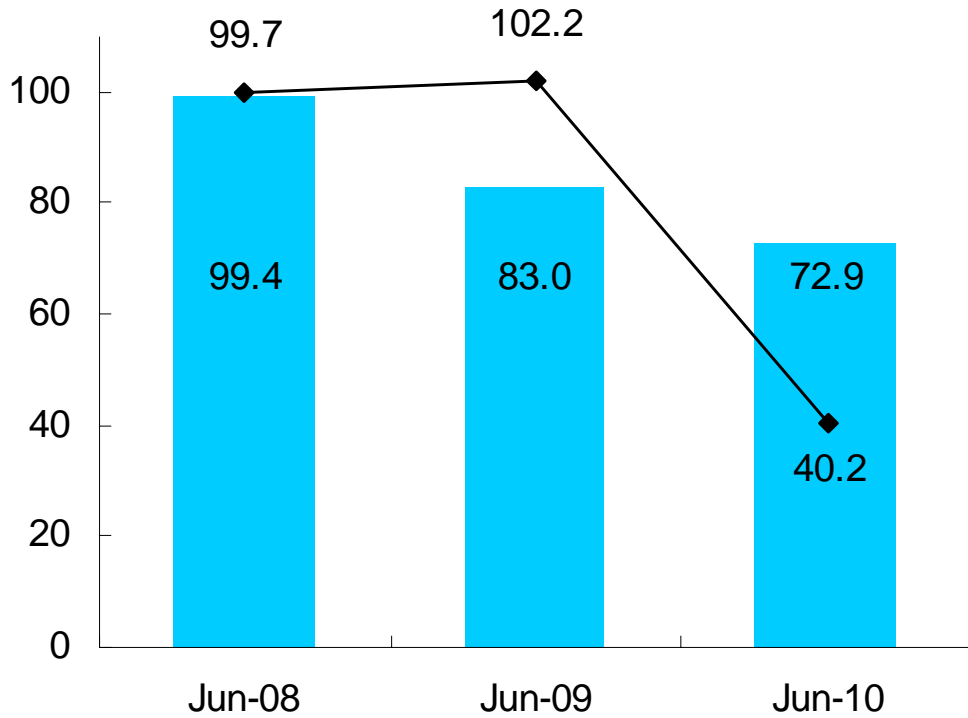
(2) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.



Fundamental Profit

Fundamental Profit (1)

(billions of yen)

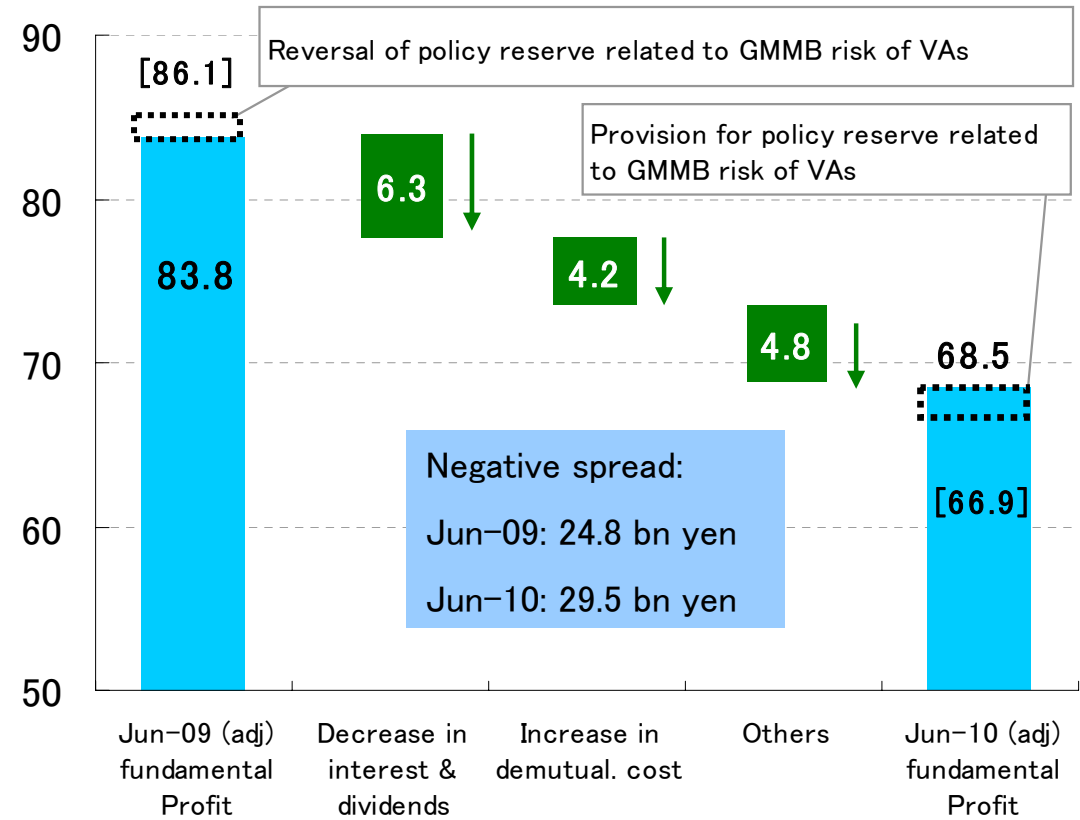


Adjusted fundamental profit (2)

Fundamental profit

Movement Analysis of Adjusted Fundamental Profit (non-consolidated) (3)

(billions of yen)



(1) Sum of Dai-ichi Life and Dai-ichi Frontier Life

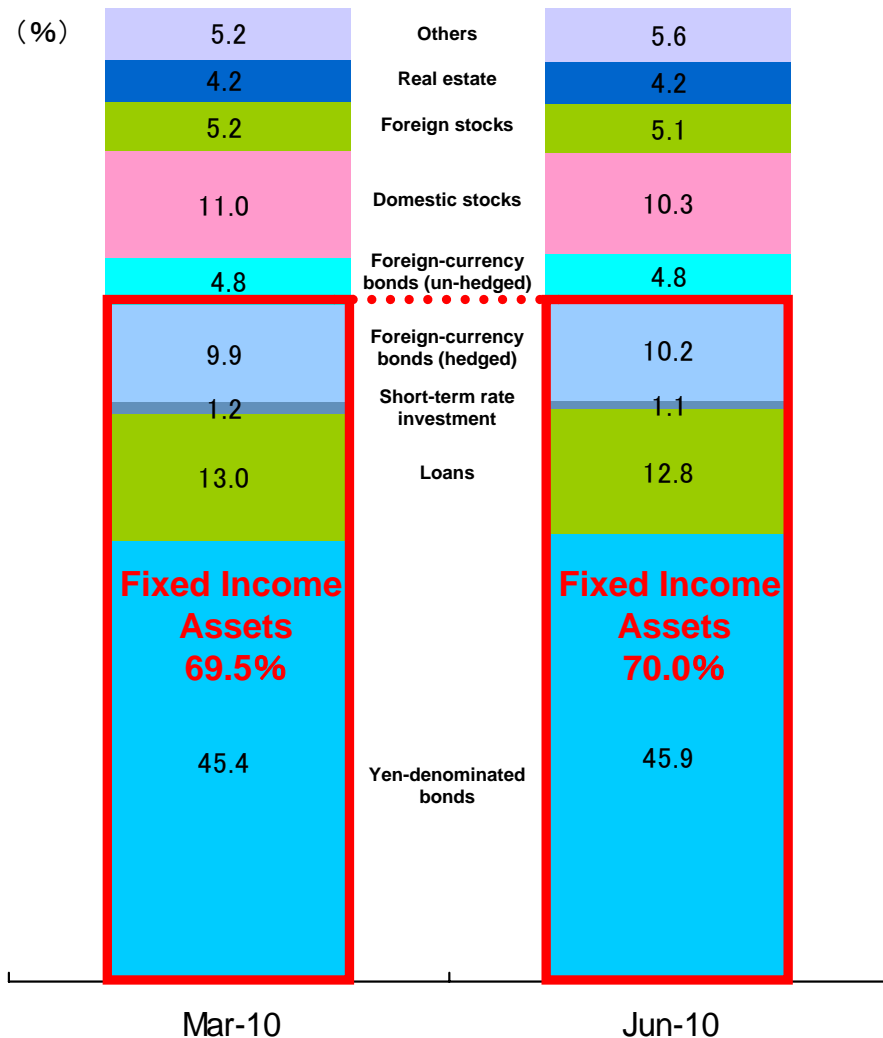
(2) Adjusted fundamental profit represents fundamental profit less (plus) reversal of (provision for) policy reserve associated with minimum guarantee benefit risk of variable annuities.

(3) Figures in [ ] represent fundamental profit before adjustments

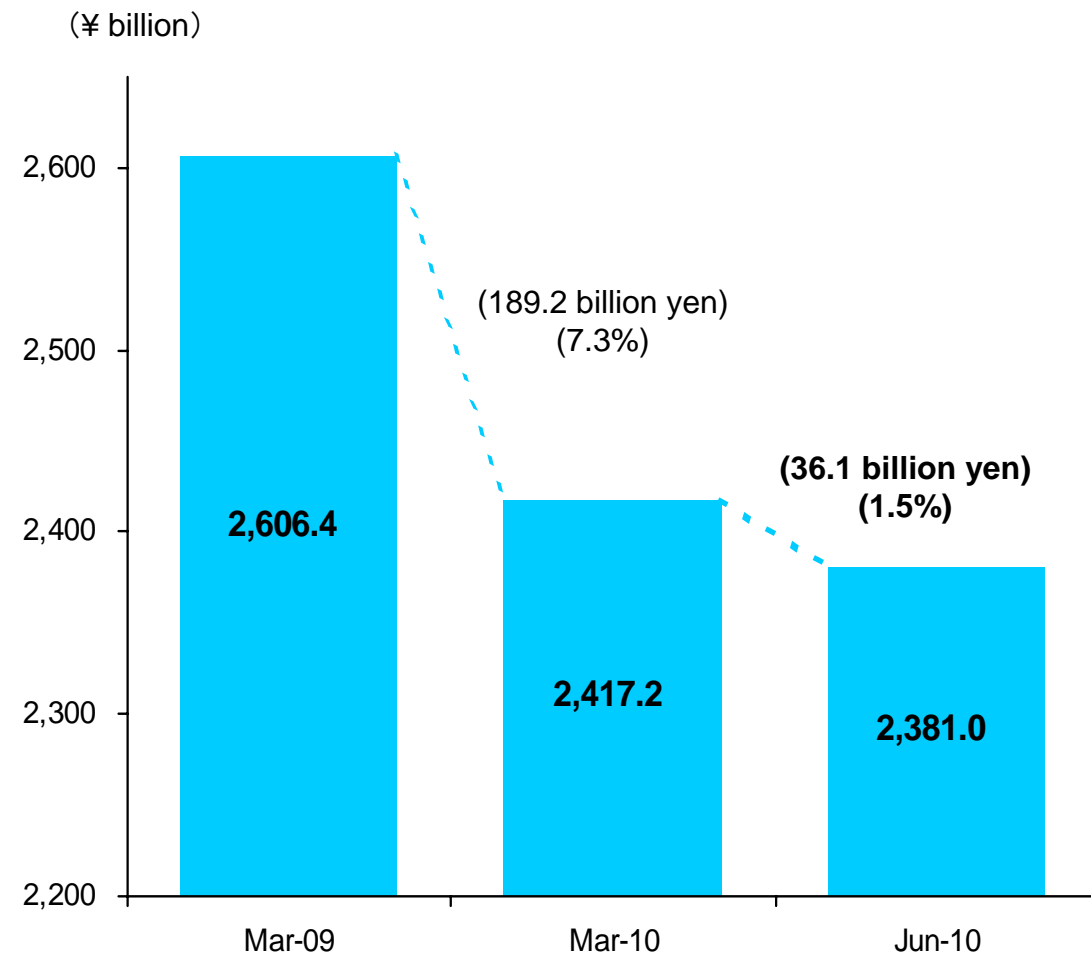


General Account Assets

Asset Portfolio (General Account) (1)



Book Value of Domestic Stocks (1) (2)



(1) Non-consolidated basis

(2) Book value of domestic stocks with fair value (exclude stocks of subsidiaries / affiliated companies and unlisted companies)

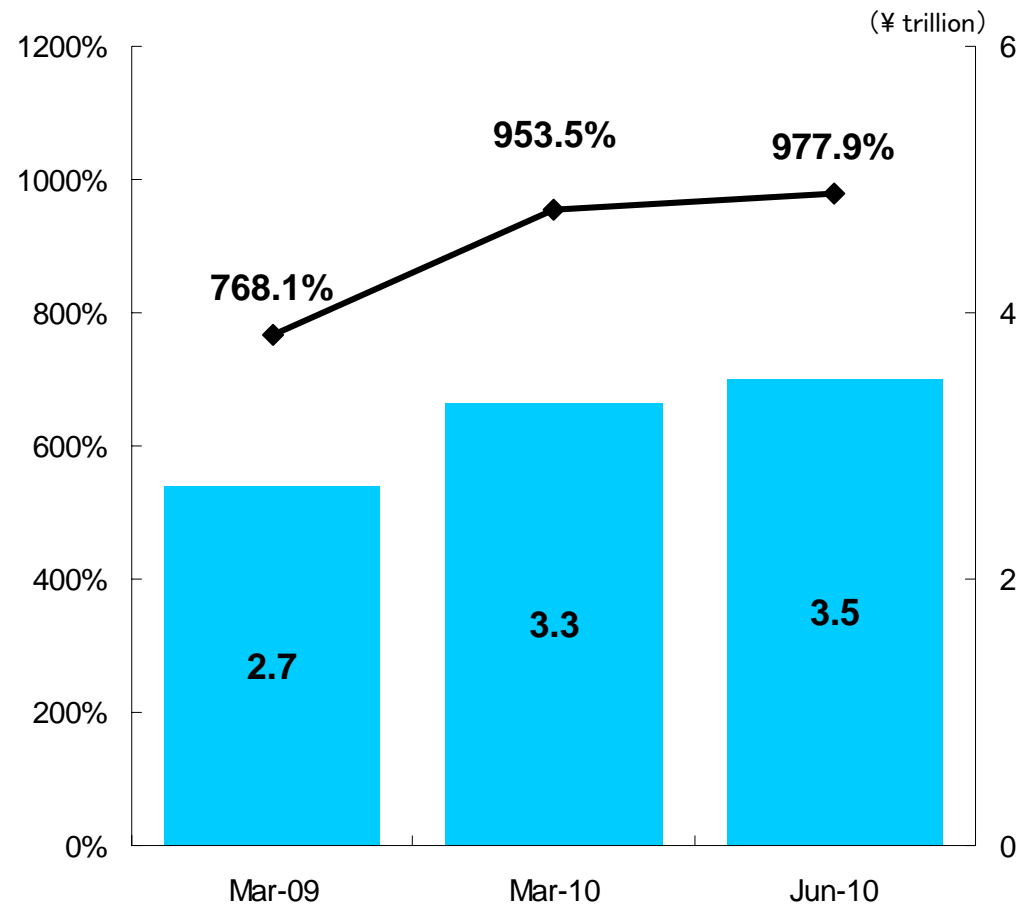
Status of Financial Soundness

Unrealized Gain/Loss (General Account) <sup>(1)</sup>

(billions of yen)

	Mar-10	Jun-10	Change
Securities	851.4	1,067.0	+215.6
Domestic bonds	265.7	766.8	+501.0
Domestic stocks	522.5	335.1	(187.4)
Foreign securities	59.8	(34.8)	(94.7)
Real estate	90.8	90.8	(0.0)
General Account total	942.0	1,156.8	+214.8

Solvency Margin Ratio & Adjusted Net Assets <sup>(1)</sup>



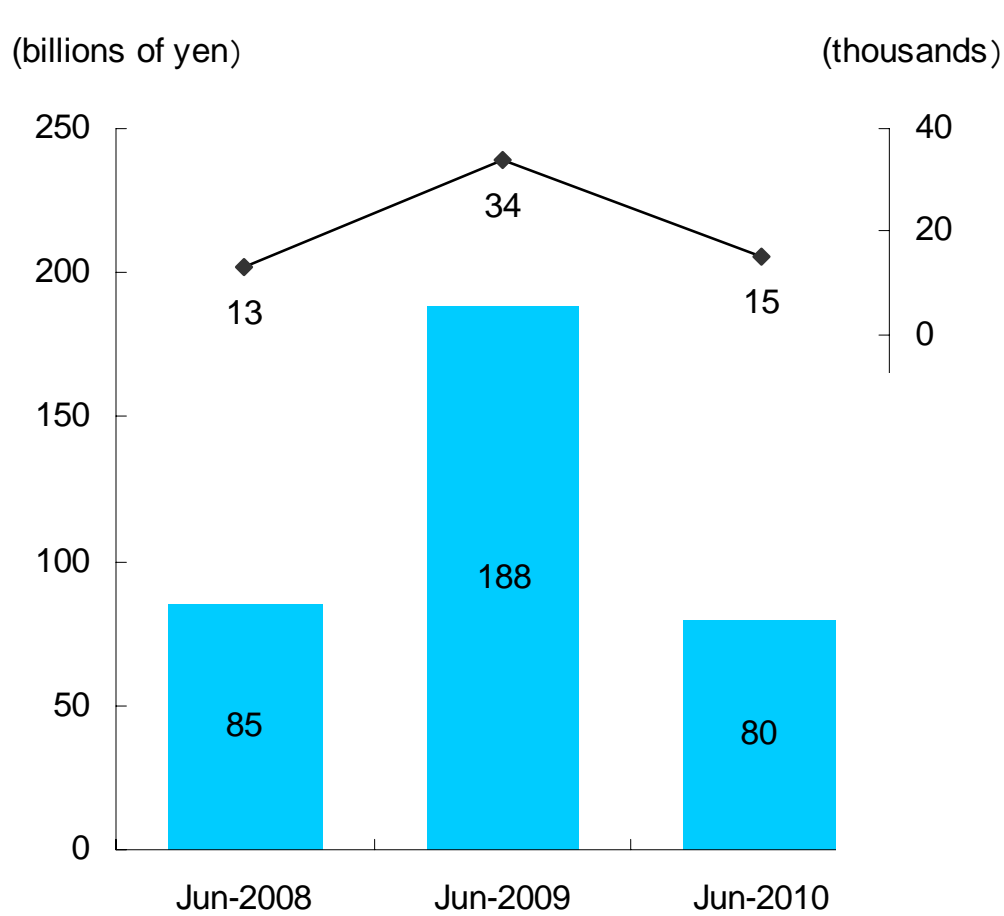
Adjusted Net Assets    Solvency Margin Ratio

(1) Non-consolidated basis



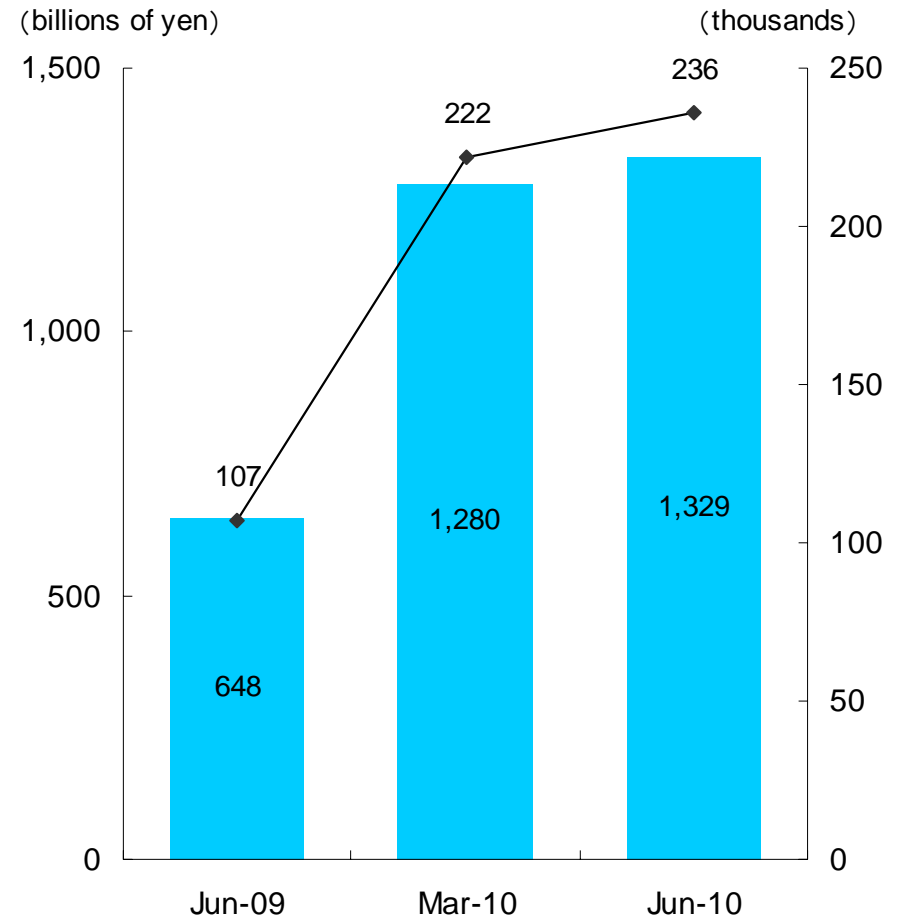
# Dai-ichi Frontier Life (1)

## New Business



Amount —◆— Number of policies (right)

## Policies in Force



Sum insured policies in force —◆— Number of policies (right)

**Dai-ichi Frontier Life (2)**

## Earnings

(billions of yen)

	1Q FY2008	1Q FY2009	1Q FY2010
Ordinary revenues	85.5	230.7	105.2
Insurance premiums and other	85.3	197.4	92.0
Variable annuities	84.7	172.6	70.8
Fixed annuities	-	14.7	9.5
Investment income	0.0	33.1	13.1
Hedge gain related to GMMB risk	-	-	12.7
Ordinary expenses	91.4	230.6	119.5
Provision for policy reserve and other	83.9	210.6	43.8
Related to GMMB risk (negative indicates a reversal)	0.4	(17.0)	31.0
Provision for contingency reserve	0.8	12.6	0.4
Investment expenses	1.0	3.3	52.7
Hedge loss related to GMMB risk	-	3.3	-
Ordinary profit (loss)	(5.9)	0.1	(14.3)
Net income (loss)	(5.9)	0.1	(14.0)

(Reference)

				Mar-11(F)
Net income (loss)	(5.9)	0.1	(14.0)	(16.0)
(A) Provision for contingency reserve	0.8	12.6	0.4	20.0
(B) Provision for policy reserve related to GMMB	0.4	(17.0)	31.0	16.0
(C) Hedge loss (gain) related to GMMB risk	-	3.3	(12.7)	(4.0)
Net income + (A) + (B) + (C)	(4.6)	(0.8)	4.7	16.0

## Guidance on March 2011 Consolidated Earnings (No Change to May 14 Forecast)

(¥ billion)

	Mar-10	Mar-11(F)	Change
Ordinary revenues	5,294.0	4,326.0	(968.0)
Dai-ichi Life <sup>(1)</sup>	4,331.5	3,972.0	(359.5)
Dai-ichi Frontier	961.3	350.0	(611.3)
Ordinary income	188.2	195.0	+6.7
Dai-ichi Life <sup>(1)</sup>	193.6	209.0	+15.3
Dai-ichi Frontier	(8.3)	(16.0)	(7.6)
Net income	55.6	50.0	(5.6)
Dai-ichi Life <sup>(1)</sup>	60.8	62.0	+1.1
Dai-ichi Frontier <sup>(2)</sup>	(7.6)	(14.4)	(6.7)
Dividends per share (yen)	-	1,600	-

Note: in addition, the Company paid its first shareholder dividend (1,000 yen per share) with a record date of April 16, 2010, in accordance with Article 2, Supplementary Provisions, of its Articles of Incorporation.

**(Reference)**

Fundamental profit (Dai-ichi Life <sup>(1)</sup> )	330.1	300.0 <	-
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(1) Non-consolidated basis

(2) Calculated based on Dai-ichi Life's interest in Dai-ichi Frontier Life.

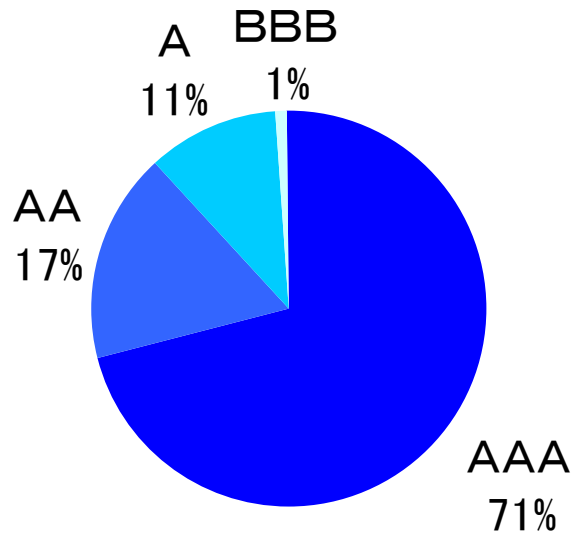


# Appendix

Sound Foreign-Currency Bonds Portfolio (General Account, Jun-10)

- Bonds with AAA rating account for 71% of the portfolio, whereas A rating or above accounts for 99%
- Limited investment toward some countries in the Euro-zone

Breakdown by Credit Rating<sup>(1)</sup>



Investment Toward Some Countries in the Euro-zone<sup>(1)</sup>

	Amount		vs General Account	vs Foreign-Currency Bonds	<Reference> Barclays Capital's Index <sup>(2)</sup>
	(¥ billion)	Gov't Bonds			
Italy	242.4	225.3	0.8%	5.7%	5.1%
Spain	123.3	111.3	0.4%	2.9%	3.4%
Portugal	10.6	8.8	0.0%	0.2%	0.6%
Ireland	-	-	-	-	0.5%
Greece	-	-	-	-	0.0%
Total	376.4	345.6	1.3%	8.8%	9.7%

(1) Excluding funds managed by outside investment managers.

(2) Barclays Capital Global Aggregate Ex JPY Bond Index, source: Barclays Capital

## Sensitivities to Financial Markets (June 2010)

	Sensitivities <sup>(1)(2)</sup>	Breakeven Points <sup>(2)(3)</sup>
Domestic stocks	Nikkei 225 1,000 yen change: ±270 billion yen (±270 billion yen)	Nikkei 225 8,500 yen (8,700 yen)
Domestic bonds	10-year JGB Yield 10bp change: ±160 billion yen (±150 billion yen)	10-year JGB Yield 1.6% (1.6%)
Foreign securities	JPY / USD 1 yen change: ±18 billion yen (±18 billion yen)	JPY / USD \$1 = 96 yen (95 yen)

(1) Sensitivities indicate the impact of fluctuation in market value of the related assets.

(2) Figures in parentheses are as of March 2010.

(3) Breakeven points indicate assumptions when unrealized gains or losses of the related assets would be zero. Figures for foreign securities are calculated for foreign exchange factors only, based on JPY/USD rate (assuming all are in USD).



## Summary Financial Statements – Dai-ichi Life unconsolidated

### Statements of Earnings<sup>(1)</sup>

(billions of yen)

	Jun-09	Jun-10	Change
Ordinary revenues	1,123.0	1,079.8	(43.2)
Insurance premiums and other	710.5	772.7	+62.1
Investment income	330.9	234.2	(96.6)
Interest, dividends and other income	171.1	164.8	(6.3)
Gain on sale of securities	46.3	49.0	+2.6
Net derivative financial instruments gain	-	19.7	+19.7
Gain on separate accounts	107.8	-	(107.8)
Other ordinary revenues	81.5	72.8	(8.7)
Ordinary expenses	1,051.3	1,014.2	(37.1)
Insurance claims and other	650.7	607.8	(42.9)
Provision for policy reserve and others	131.3	43.9	(87.3)
Investment expenses	55.7	156.3	+100.5
Loss on sale of securities	34.5	29.4	(5.0)
Loss on separate accounts	-	98.9	+98.9
Operating expenses	102.7	104.3	+1.5
Ordinary profit	71.6	65.5	(6.0)
Extraordinary gains (losses)	(6.9)	(9.1)	(2.1)
Provision for reserve for dividends to policyholders <sup>(1)</sup>	23.1	17.8	(5.2)
Income before income taxes (2)	41.5	38.5	(2.9)
Income taxes	11.8	14.7	+2.9
Net income <sup>(2)</sup>	29.7	23.8	(5.8)

### Balance Sheets

(billions of yen)

	Apr-10	Jun-10	Change
Total assets	30,822.4	30,635.3	(187.1)
Cash, deposits and call loans	397.6	327.8	(69.7)
Monetary receivables purchased	289.8	310.9	+21.0
Securities	23,987.9	23,845.9	(141.9)
Loans receivables	3,834.3	3,765.9	(68.3)
Tangible assets	1,243.6	1,249.1	+5.5
Deferred tax assets	337.6	361.4	+23.7
Total liabilities	29,822.1	29,690.1	(132.0)
Reserve for insurance policy liabilities	27,896.2	27,911.0	+14.7
Policy reserve	27,324.8	27,366.2	+41.4
Contingency reserve	527.0	531.5	+4.5
Reserve for employees' retirement benefits	409.6	414.8	+5.2
Reserve for price fluctuations	115.4	118.9	+3.5
Total net assets	1,000.3	945.2	(55.0)
Total shareholders' equity	604.6	619.2	+14.5
Total valuation and translation adjustments	395.6	325.9	(69.6)
Valuation difference on available-for-sale securities	461.1	392.8	(68.2)
Revaluation reserve for land	(63.5)	(64.2)	(0.7)

- (1) For the purpose of making proper year-on-year comparison, a "provision for reserve for dividends to policyholders" is recorded for the quarter ended Jun-09, in the same way as for the quarter ended Jun-10. Specifically, an amount equivalent to one-fourth of the "provision for allowance for policyholder dividends" recorded for the year ended Mar-10 is shown here.
- (2) Although the Company was a mutual company for the quarter ended Jun-09, we show "net income" rather than "net surplus", in light of our subsequent demutualization.

## Summary Financial Statements of Dai-ichi Frontier Life

### Statements of Earnings

(billions of yen)

	Jun-09	Jun-10	Change
Ordinary revenues	230.7	105.2	(125.5)
Premium and other income	197.4	92.0	(105.3)
Investment income	33.1	13.1	(20.0)
Ordinary expenses	230.6	119.5	(111.1)
Benefits and claims	5.5	19.1	+13.6
Provision for policy reserves and others	210.6	43.8	(166.8)
Investment expenses	3.3	52.7	+49.4
Operating expenses	9.8	3.5	(6.3)
Ordinary income (loss)	0.1	(14.3)	(14.4)
Extraordinary gains (losses)	(0.0)	0.3	+0.3
Loss before income taxes	0.1	(14.0)	(14.1)
Total of corporate income taxes	0.0	0.0	+0.0
Net income (loss)	0.1	(14.0)	(14.1)

### Balance Sheets

(billions of yen)

	Mar-10	Jun-10	Change
Total assets	1,423.1	1,453.6	+30.5
Cash, deposits and call loans	30.0	20.2	(9.7)
Securities	1,313.5	1,330.9	+17.4
Total liabilities	1,305.7	1,349.3	+43.5
Policy reserves and others	1,300.2	1,344.0	+43.8
Policy reserves	1,299.6	1,343.2	+43.5
Contingency reserve	44.7	45.2	+0.4
Total net assets	117.4	104.3	(13.0)
Total shareholders' equity	116.2	102.1	(14.0)
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(68.7)	(82.8)	(14.0)

## **Investor Contact**

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